

RECEIVED**EXHIBIT 10****APR 20 2012**

April 18, 2012

Montana Board of Oil and Gas Conservation

2535 St. John's Ave.

Billings, MT 59012
102**MONTANA BOARD OF OIL
& GAS CONS. BILLINGS**

Dear Sirs,

My name is Mark Copenhaver I own a small farm North of Rudyard and I live at 1617 Illinois Avenue, Helena MT 59601. I would like to file a formal complaint with your Board regarding the operations of G/S Producing Inc. (AKA Brainstorm Energy Inc., et. al) regarding their failure to comply with the provisions of MCA 82-10-503. I am the surface owner of TWP 34 N, R 9 E, Section 28 S1/2 and G/S Producing et. al. has obtained a permit to drill the Weil #1 well on the above noted land by way of API #25-041-23548-00-00.

The history of this complaint is as follows:

- I was contacted by Adam Standiford via phone on Friday, March 23 at approximately 11:13 am. At that point Adam told me that he planned to drill a well on the above noted lands. He suggested that his company was willing to pay \$2000 in initial damage and disruption payments for my economic loss and that he would like to meet with me the following day in Helena where I live.
- Adam and I met on Saturday, March 24, 2012, at approximately 1:45 pm at the Hub Coffee Shop. Adam was up front and indicated that he and his father were planning to drill a well on my land, described above, sometime in the near future. Adam informed me that he was being financed by an East Coast development firm known as the Weil Group and they were planning to drill for Helium. I asked Adam a series of questions about the drilling process, environmental impacts, what measures would be taken to protect the character and integrity of my land. At that point I also informed Adam that I had experienced a Traumatic Brain Injury (TBI) approximately two years prior and that as a consequence of that injury I struggled to effectively assimilate new data. I specifically asked him to provide me with any and all documentation that he could regarding the proposed well site as well as any other information relative to the process. In response to my request Adam provided me with six pages of documents including three pages of formal survey maps, a mock up of the proposed drill site, a schematic for a blow out preventer and another schematic for a choke manifold. (Attached and entitled enclosure #1) I informed Adam that in light of my brain injury related issues that I would have to think over our conversation and that I would get back to him with an e-mail that weekend.
- On Sunday March 25, 2012, I sent the attached e-mail. (Enclosure #2)
- Adam and I exchanged text messages on April 4, April 6, and April 7 wherein I specifically and clearly stated that I would not authorize any on site activity until my concerns were addressed.

20 pages total

On April 10 at 8:51 am, I received a text from Adam indicating that they would like to begin moving dirt for the well site the next day, April 11. Following receipt of Adam's text message and while researching the issue, I talked with the staff at the Montana Board of Oil and Gas and was advised of and was directed to the provisions of MCA 82-10-501 through 82-10-510. After reading those statutes as well as the statutes referenced therein I advised Adam via text message at 12:20 pm that I would not waive my newly discovered statutory right to a minimum of 20 days notice before any activity disturbed the surface of my land. I also advised Adam that I would send him an e mail the evening of April 10 detailing my concerns and requirements and reaffirming my position that I was not trying to delay his project but wanted to make sure that my concerns were addressed prior to activity on occurring on site.

- On the evening of April 10 at 7:04 pm I sent an e-mail to Adam outlining my concerns about the long term implications that the Weil #1 well might have on my land. (enclosure #3) Included in that e-mail was a surface use agreement that I had drafted. I received a call from Adam at 7:14 pm however I was eating supper and was unable to accept his call. I called him back at approximately 7:30 pm and following a conversation with Adam and his father, Ray, I agreed that the draft surface use agreement I had provided needed probably to be revised. As such I revised the agreement so it was consistent with the terms we had discussed in our conversation and sent the revised agreement to Adam at 8:48 pm. (enclosure#4)
- On April 11 at 2:51 pm I received an e-mail from Adam wherein he indicated that the terms of the agreement we had negotiated the previous evening would not be honored as his investors would not agree to the terms of our agreement as it would set a bad precedence. (enclosure #5)
- On that same date April 11 at 08:35 pm I sent Adam a rather terse e-mail (enclosure #6) outlining my disappointment and reiterating my statutory right to receive a minimum of 20 days written notice prior to any activity that disturbed the surface of my land.
- The following day April 12 at 10:08 am I received a call from an attorney, Brian Lee of Lee Law Office in Shelby. Brian was initially quite helpful and orally shared with me the findings of the Montana Supreme Court in Pinnacle Gas v. Diamond Cross. I asked Brian to e-mail (enclosure #7) me a copy of the court case so I could review it. I also informed Brian that with my TBI residuals I require more time and written documentation to assimilate and understand new information. After reading the findings in that decision it was clear that I could not bar Adam and/or G/S Producing et.al from drilling on my land, nor was it my intention to ever do so. I simply wanted to negotiate a fair settlement for the initial damages to my land, negotiate a fair surface use agreement and insure the environmental and financial integrity of my investment. I felt like I needed the 20 day minimum required notice timeframe to be able to negotiate that settlement. I think it is of paramount importance in this instance to note the Adam and G/S Producing was clearly aware of the mandatory notification requirements set forth in the statute. Please note that Adams counsel at Lee Law Office wrote, "The most pressing issue right now is resolving the matter of the 20 day notice. I understand you would like the opportunity to speak

with legal counsel before making a decision but I would appreciate very much if we could obtain you [sic] waiver to the 20 day notice requirement so that my client may proceed with its development activities."

- I sent a follow up e mail to Adam at 4:40 pm on April 12 (enclosure #8) wherein I noted that I was upset over the events that had transpired but that I was willing to consider waiving the 20 day notice requirement (please keep in mind that I had only known about the existing law for two days) if Adam, the Weil Group and G/S Producing et. al. was willing to provide me with a new surface use agreement for the newly impacted acreage and come back to the negotiation conversation with a more reasonable offer.
- I contacted Brian Lee Esq. of Lee Law Office again on April 17 to determine if Mr. Lee had received any further communication from Adam. (enclosure #9) Brian responded that same date by noting, "I assume you remain unwilling to waive the 20 day notice requirement but if you will agree to waive please let me know." Again clear communication indicating that Adam and his representational firm are aware of the statutory notification requirement, but are seemingly unwilling to comply with it.
- I spoke with Mr. Lee today April 18 at 4:11 pm wherein Brian reminded me of the Pinnacle decision and stated, "The Supreme Court has ruled that the developer does not have to provide you with any notice. Their right to access your lands is clear and there is nothing you can do to stop them." I told him that I understood the decision and that my only remedy seemed to be to file a formal complaint with the Montana Board of Oil and Gas.
- I also have been informed that activity has begun at the drill site at least as early as of April 17 but I have not been notified of this activity by Adam, his partners or his legal counsel despite having communicated with his legal counsel on consecutive days wherein activity had taken place.

It is clear to me in reading the applicable statutes and Montana Supreme Court case in Pinnacle v. Diamond Cross that the only avenue available to me is to file a complaint with the Montana Board of Oil and Gas and I am herein exercising that opportunity.

In reviewing my complaint I would ask the Board to consider the fact that as of today's date I have not been provided written notice of the drilling activity as required by MCA 82-10-503, yet disruption of the land surface has begun. I am confident that when called before the Boards governing body that Adam, his out of state investors with the Weil Group and G/S Producing will attempt to argue that the conversation Adam and I had on March 24 constituted such notice. However I would ask the Board to apply the very plain meaning in the language of the law that clearly sets forth in compulsory language the requirements of what precisely constitutes sufficient notice. It is my position that six pages of documents (enclosure #1), none of which included the statutes or associated referenced documents on split estates approach in any way the requirements set forth in the statute, cannot even begin to approximate the spirit or intent of the law. Please remember that I obtained the noted statutes, not from Adam, his investors or his legal counsel, but from personnel with the Board itself only after a

fortuitous phone call. In less than a week from the date the Board of Oil and Gas staff assisted me in obtaining the statutes Adam and G/S Producing et. al. has commenced its operations on my land.

I am asking the Board to apply the strictest possible remedies available under MCA 82-11-147 and restrain Adam Standiford, The Weil Group, G/S Producing Inc., Brainstorm Energy Inc., et. al. from continuing to violate the notice requirements of MCA 82-10-503. In the alternative I would implore the Board to apply the strictest possible penalties provided under MCA 82-11-149 from the first date activity began at the well site until a minimum of 20 days has passed from the date I actually receive notification that complies with the spirit and intent the Legislature set forth in approving the enumerated statutes.

I am "the little guy." I've worked in Helena for the past 23 years saving every dime I could hoping that someday I could purchase my farm and that dream came true in December 2010. My farm isn't big, just 640 acres, but it's mine, it's the start of a dream for me and my family. I am not trying to permanently halt this development, I understand that minerals need to be developed. My Dad was a farmer nearly all of his life and before his death said numerous times, "The only new dollar is one that is grown or mined." I've always valued that perspective and believe it to be true. To be told by a developer, a group of highly capitalized out of state investors or an attorney that my rights, my investment as a surface owner, are irrelevant is offensive and frankly it flies in the face of honesty, decency and the tenets of common law.

As I said above, I have saved every dime I could to buy my land. I cannot afford an attorney to represent my interests before the Board nor in District Court should this issue proceed to that venue, rather I am relegated to advocating on my own behalf. My only recourse is the administrative and civil penalties afforded the Board members reading this complaint. Please review my complaint and conduct the necessary administrative process as soon as possible and strongly consider restraining and severely sanctioning the developer its subsidiaries and its partners.

Thank you in advance for your attention to my complaint.


Mark Copenhaver

1617 Illinois Avenue

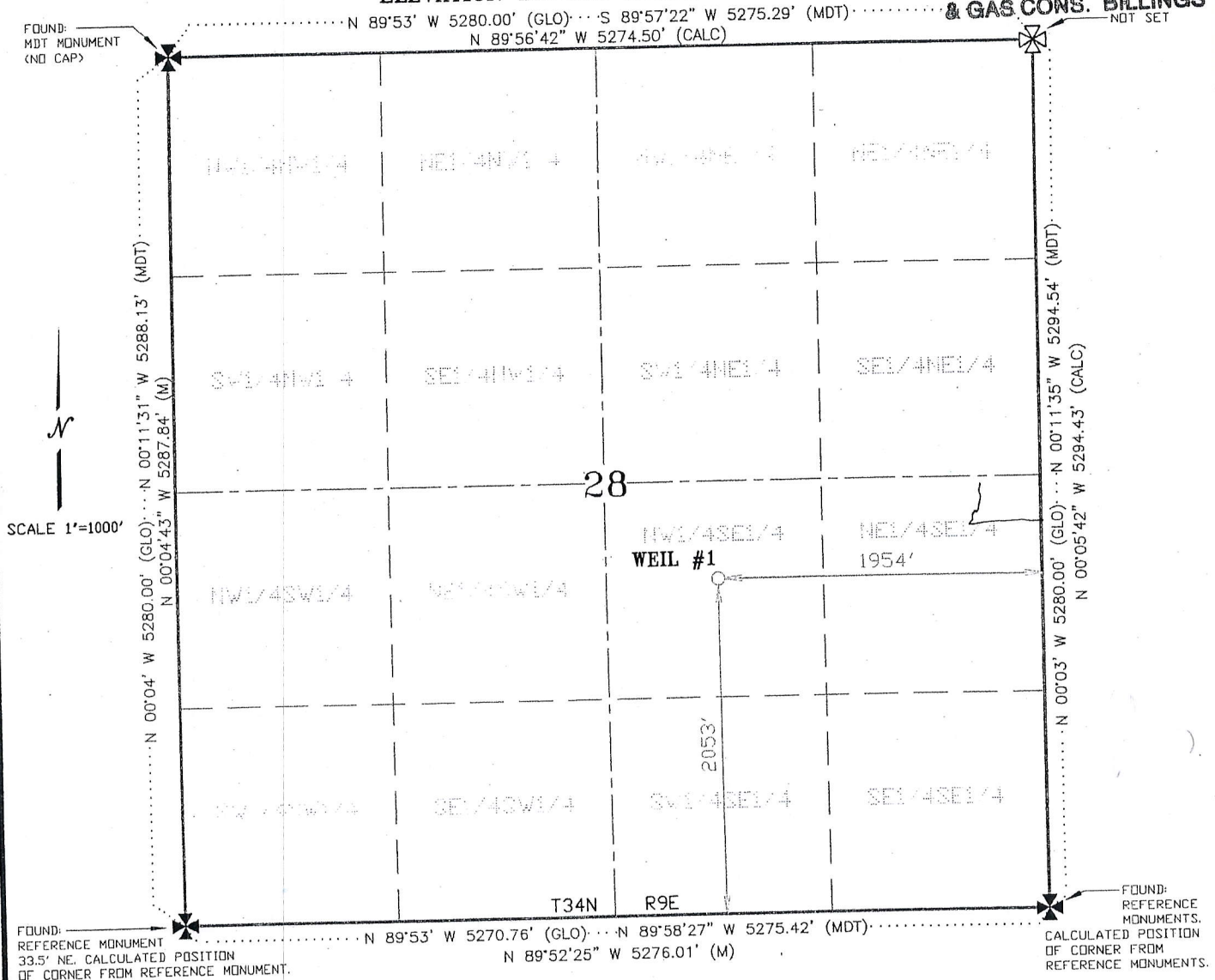
Helena MT 59601

406-442-5454 (h)

406-439-7645 (c)

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

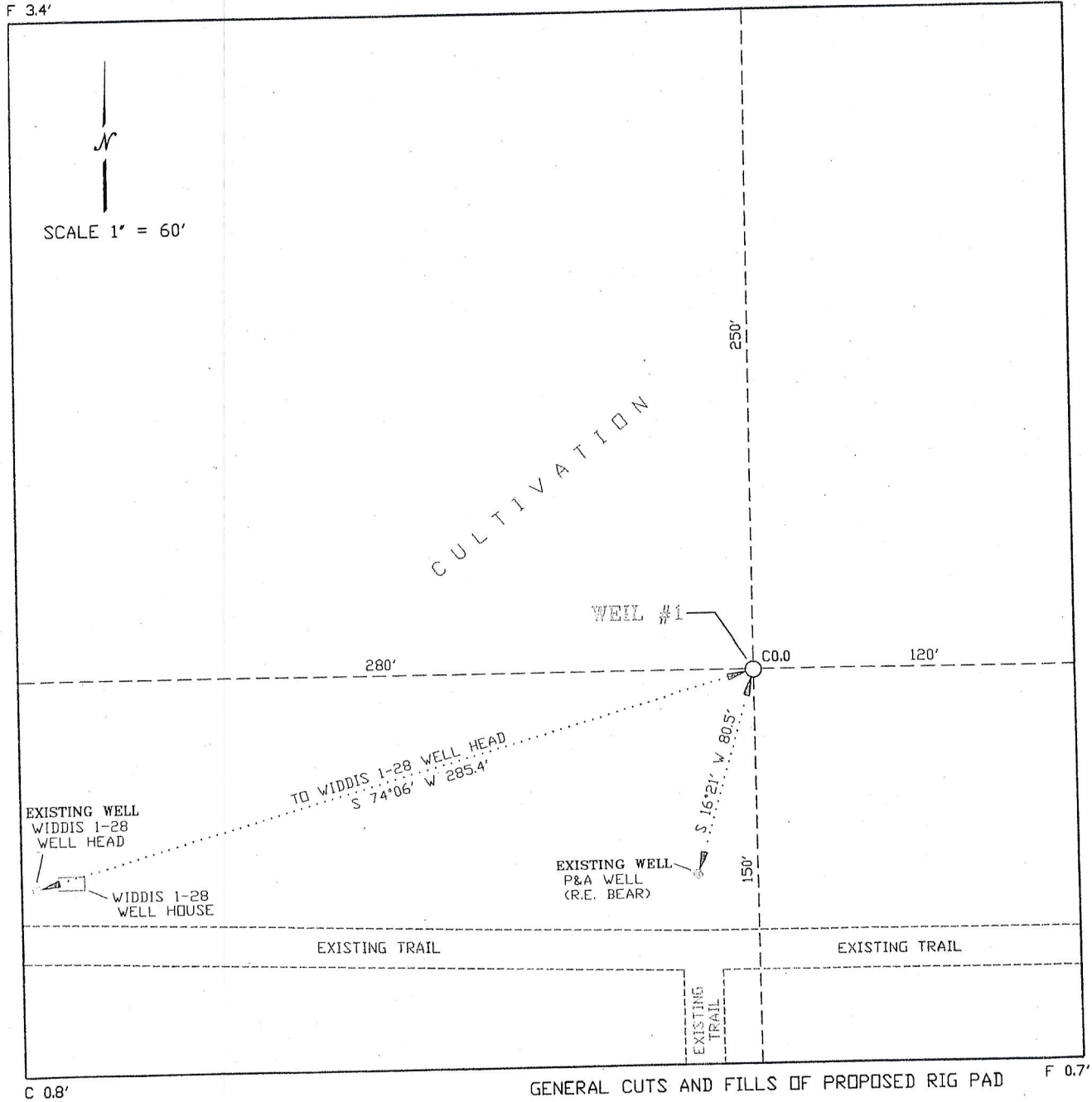
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MDT MONUMENT
(NO CAP)



DRAWING NO. 12013GSP.DWG

PROPOSED RIG PAD

WEIL #1
NW1/4SE1/4 SECTION 28, T34N, R9E, P.M.M.
HILL COUNTY, MONTANA
2053' FSL X 1954' FEL
ELEVATION BEFORE GRADING: 3054'



LAND USE: CULTIVATION

ELEVATION OF LOCATION BEFORE GRADING: 3054'
BASIS OF ELEVATIONS: NAVD 29

NOTE:
CUTS AND FILLS NOTED ARE FOR PURPOSES
OF DESCRIBING THE GENERAL TOPOGRAPHY
OF THE PROPOSED RIG PAD AND ARE NOT
INTENDED FOR CALCULATION OF DIRTWORK
QUANTITIES OR OTHER CALCULATIONS.

REQUESTED BY: G/S PRODUCING, INC.
P.O. BOX 358
CHESTER, MT 59522

SCALE 1"=60'

WEIL #1
NW1/4SE1/4 SECTION 28, T34N, R9E, P.M.M.

03-14-12



CICON AND ASSOCIATES
BOX 541
CHESTER, MONTANA 59522

JOB NO. 12-013

PAGE 2 OF 3

DRAWING NO. 12013CON.DWG

PROPOSED ACCESS TO WELL SITE

WEIL #1
NW1/4SE1/4 SECTION 28, T34N, R9E, P.M.M.
HILL COUNTY, MONTANA

WEIL #1 WELL SITE
(2053 FSL X 1954 FEL)

EXISTING TRAIL

EXISTING TRAIL

RUDYARD ROAD


RUDYARD ROAD
6 MILES

Gas Well

SCALE 1" = 2000'

REQUESTED BY: G/S PRODUCING, INC.
P.O. BOX 358
CHESTER, MONTANA 59522

WEIL #1
NW1/4SE1/4 SECTION 28, T34N, R9E, P.M.M.

 CICON AND ASSOCIATES
BOX 541
CHESTER, MONTANA 59522

DRAWING NO. 12013TOPD.DWG

SCALE 1"=2000'

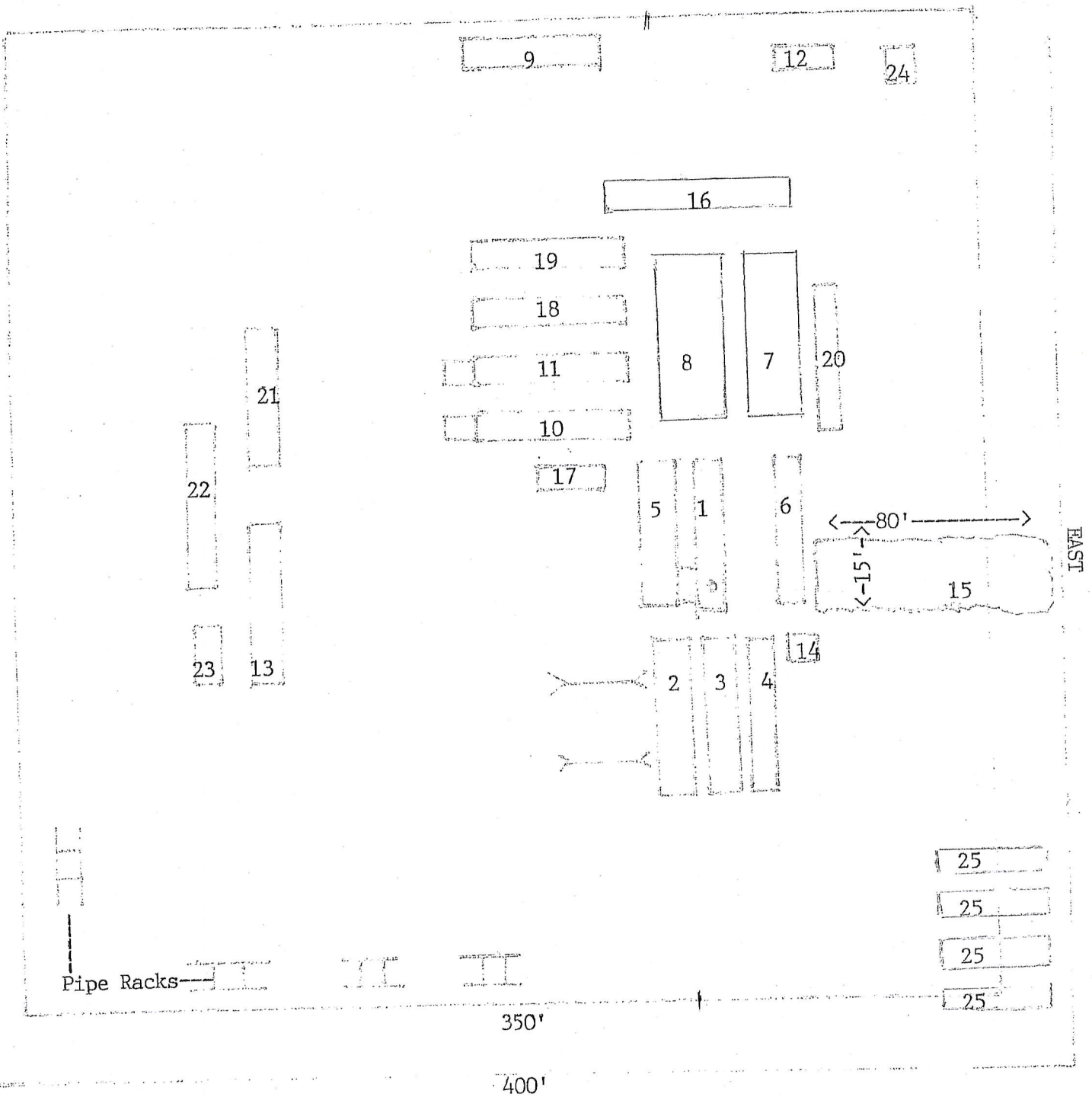
03-14-12

JOB NO. 12-013

PAGE 3 OF 3

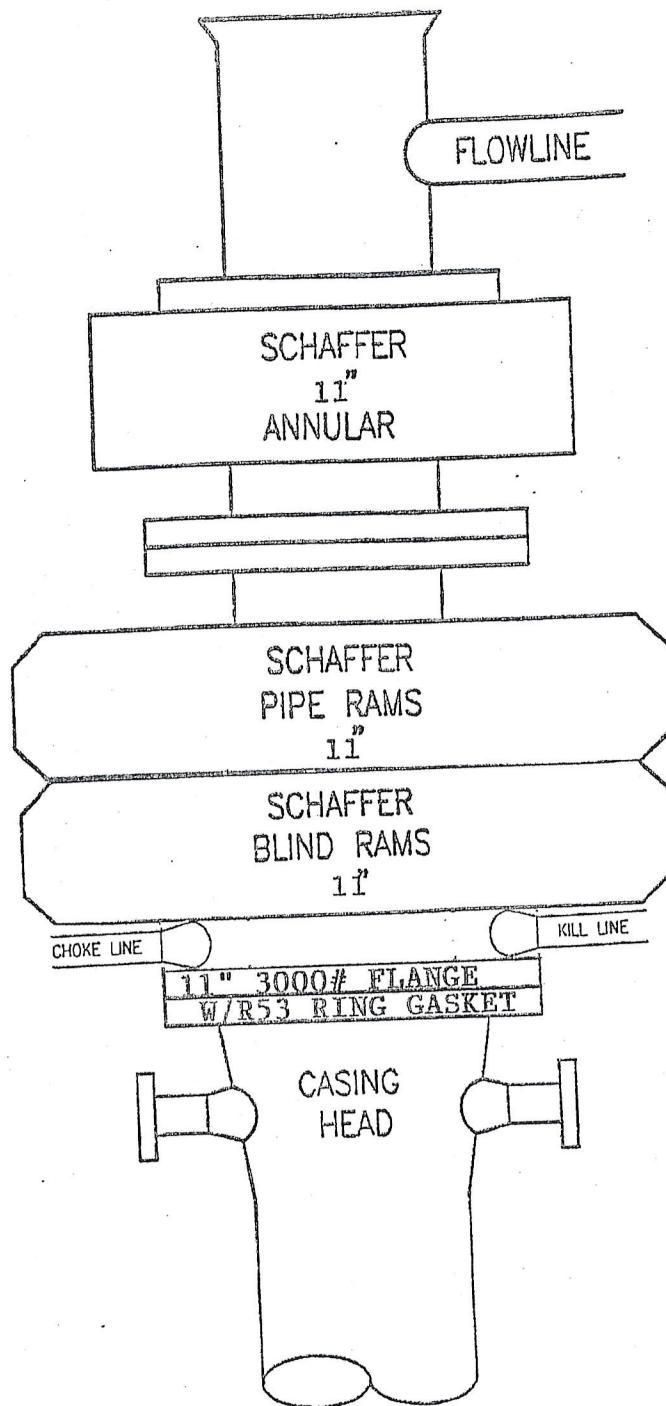
NORTH

ENCLOSURE 1 p 4

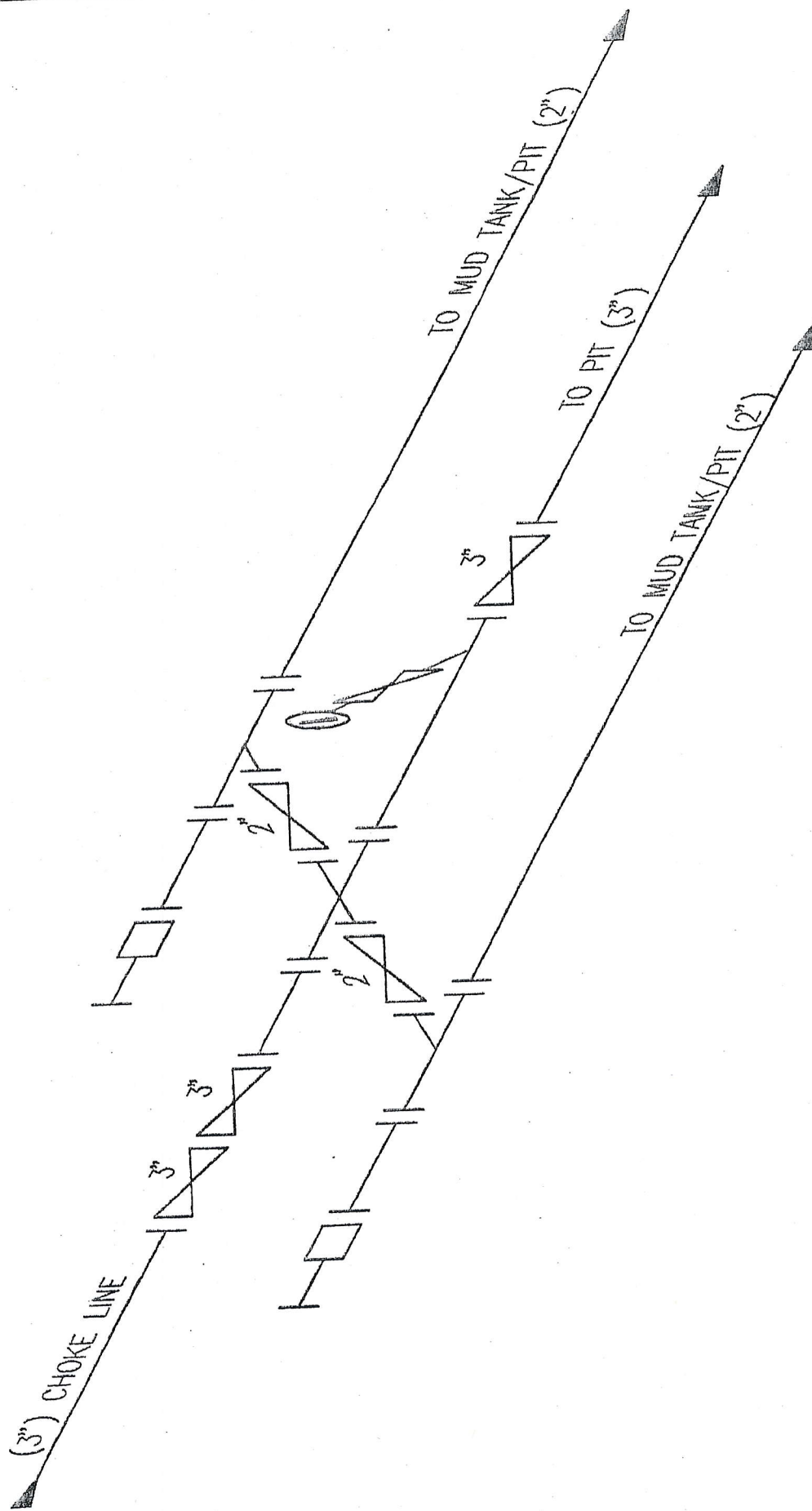


FX DRILLING COMPANY, INC.,
Rig #5 Drilling Pad

- | | |
|-------------------------------------|---------------------------------------|
| 1. Substructure & Rig 5 | 13. Accum. Trailer-FX |
| 2. Pipe Tub w/Casing Racks | 14. BOP Valve Shack-Chock Manifold |
| 3. Collar Tub | 15. Reserve Pit |
| 4. Collar Tub/Pipe Tub | 16. Boiler |
| 5. Doghouse/Water Tank | 17. Air Heater |
| 6. Mud Tank #1 | 18. Hydraulic Power Unit/ Parts House |
| 7. Mud Pump #1 | 19. Tool House |
| 8. Mud Pump #2 | 20. Premix Mud Tank |
| 9. Mud Trailer | 21. Mud Logger Trailer |
| 10. Generators, Accum.,/ Fuel Tanks | 22. Directional Trailer |
| 11. Generator #2 | 23. Sewage System |
| 12. Trash Cage | 24. Portable Toilets |
| | 25. Drill Pipe Tubs |



3M
BLOWOUT PREVENTER
EQUIPMENT



3 M
CHOKE MANIFOLD EQUIPMENT
SKID MOUNTED
ENCLOSED IN STEEL BUILDING

mulybux

RECEIVED

From: mulybux [mulybux@gmail.com]
Sent: Sunday, March 25, 2012 8:09 PM
To: 'astandiford@gmail.com'
Subject: Rudyard Well

APR 20 2012

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

Adam, thanks for your insight, straight forward approach and honesty at yesterday's meeting!

There are a couple of items that I'd like to note that I have concerns about in the short term during the exploration phase.

- As we discussed I'd really like to keep the access roads on a North/South axis if we possibly can. I think that this orientation helps preserve some agricultural efficiency and makes it easier for Craig to work around while additionally helping mitigate dust issues.
- On that note I'm fairly concerned about the amount of dust that may be generated throughout the exploration process and rehabilitation. I know that we talked about stock piling and berming the top soil prior to initiating the drilling and subsequently keeping it watered. I think that will be a good start but I'd really appreciate you (or Ray) keeping a pretty keen eye on the dust issue as my buildings are down wind and I'd just as soon deal with as little dust issues as I can....(one of the benefits of chem fallow) Also I'm concerned about wind erosion once the initial exploratory drill site size is reduced and some of the top soil is reapportioned across the site. My specific concern is that the stock piled soil may be pretty dry and as its spread will become even dryer and might be pretty conducive to blowing around. If the timing works out and we hit some June rains we will probably be fine but guess I'm wondering about potentially trying to somehow water the reapportioned top soil and additionally about possibly planting some short term cover crop on it to help hold the soil through the remaining summer and winter months. Just a thought, don't really have any solutions but we may want to bring Craig in on this portion of the discussion.
- As we discussed, and I really want to emphasize, I don't want anyone accessing the site through my yard. Honestly the only people who have permission to be in the yard are Craig (and his guys), Stan Langel, Roger Lincoln, Rod Spicher and Darwin. If we could perhaps place some signage down by the road on the South side of the pasture I'd really appreciate it. I have a series of trail cameras that I have strategically placed in the yard to record the comings and goings of people and I review them each time I come up. My driveways are posted so the South fence signage should really help limit any problems we might have but honestly I could become pretty difficult to reason with if I discover pictures of folks in the yard, too many things walk away and frankly nobody has any business being in there.
- I didn't mention this when we talked but I'd also like to enforce a very strict "no animals" policy. Meaning, nobody can have their dog on site. Darwin's cattle are there and he is planning to bring in more as the grass greens up and I don't want any conflict between his livestock and someone's dog. Additionally I try to keep several cats around to help with biological control of some mice issues so I don't want any of the cats run off or killed. Again, frankly I will have a zero tolerance policy on this issue. Montana state law provides for some very severe consequences for animals chasing livestock. I really don't want anyone's pet harmed so please convey this to the drilling company so it can relay the message to all of its employees.
- I'm concerned, but not too concerned, about noise issues this year. One of the reasons I bought the farm was to get away from the noise of town, to have my own place where I could enjoy some peace and quiet. So as this project moves forward I'd ask that we really begin to contemplate and mitigate noise as much as we possibly can. Again, probably not a big issue this year but something I think we want to keep in mind for the months and years to come as you contemplate some "best management" practices. I know that you are going to try and do everything as effectively as you can and I appreciate that, I'd just ask that you consider the noise issue as you move forward during research, development and production.

Longer term I also have a few issues that we don't have to resolve at this time, but that I'd like to discuss when the time is right:

- I don't know that we can tell what the long term site size is going to be but when we do I'd like to minimize the footprint as much as possible and also see what we can do to make it blend into the surroundings. In other words I'd sure rather not have a bunch of galvanized steel buildings on site when I think that with a little planning we could keep their profile as low as possible as they are built and maybe paint them to match the surroundings if we just thought it through a little in advance.
- I'm almost positive that I won't get it done this year or probably very soon but I do plan to rehabilitate the fence around that half section so I can use it for fall or winter grazing. With that we will need to think about possible cattle guards and maybe fencing of the well site. Again, a LONG term project for me but wanted to mention it anyway. Hope I live long enough to actually get that done so don't lose any sleep on that issue at this point in time.

You had mentioned that you had a standard \$250 per well site lease that you paid to land owners (at least that is what I thought I heard). Are you thinking that the acre or so that may be permanently impacted by this well would be at the \$250 per year rate? Or are we talking apples and oranges? Guess I'm trying to make sure that I get the longer term surface lease impact straight in my head. With the potential for some buildings and what not on site I guess that I'm not thinking that the acre or so would be considered a standard well site but I'm asking what your thoughts are.

On the issue of well site leases I think that maybe you (or maybe Ray, not sure when you bought him out) paid my Mom for the wells in 2010 but I didn't receive anything for 2011 or so far in 2012 for the two existing wells, again I think \$250 per well. Not sure how it works but wanted to mention it at least.

Ultimately I'd like to help facilitate your current venture as much as I possibly can and I'm confident that we can work our way through any concerns that either of us may have if we continue to be honest and up front with each other. Once I have a little better feel for what you think the longer term annual damage and disruption payments might amount to then I think we can fairly quickly resolve the separate and distinct compensation for the exploration phase. On the issue of annual residual damage payments have you ever considered an agreement wherein the landowner could receive a % of the gross proceeds? I'm thinking that such an arrangement may help mitigate the long term financial impact that the well site might have on the land value.

Honestly right now I'm pretty concerned about the enduring impact that the upcoming well site may have on my land value, not so much from an agricultural production perspective as the final permanently impacted acreage may be rather small, but more from a "residential/quality of life" perspective. I'm more than willing to continue our dialog regarding the potential for an additional site lease near the highway, or on the gravel road to the South for what I would call your "concentration and production" plant if that is something that would help facilitate some efficiency for you as well as some additional income for me and my family.

I appreciate your understanding! Since I was about 5 years old my dream was always to buy the Widdis place, build a house and retire there. I saved my pennies for years to be able to do that so now I just want to make sure that I can enjoy my property to the greatest extent possible.

mulybux

ENCLOSURE #3

RECEIVED

From: mulybux [mulybux@gmail.com]
Sent: Tuesday, April 10, 2012 7:04 PM
To: 'Adam Standiford'
Subject: Copenhagen Surface Use Agreement
Attachments: Copenhagen Surface Use Agreement.doc

APR 20 2012

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

Adam, attached is a copy of the Surface Use Agreement that I will require be signed before I will waive my 20 day minimum notification rights. There are a number of issues that I'm very concerned about with this well, some are due to my inexperience with the process and some are due to other factors.

When it comes down to brass tacks I earnestly believe that this well will impact me in several ways.

I'm concerned about the long term loss of land value due to:

- An extreme loss of privacy
- Noise from both short term and long term operations
- Lower property values (multiple well sites near my residence, a property that is encumbered by easements and intrusion by people any time of the day or night.)
- Exhaust/venting emissions

I'm further concerned about the clear and present reality of a long term loss of agricultural production values.

I understand your need to develop the resources you have leased and in general I support resource development, it is not my intention to substantially interfere with that development. However in my eyes the surface use of the land and its intrinsic value are at least as valuable as the development of the minerals below the surface. In fact the agricultural, recreational and residential uses may be considered to be more valuable than the gas or minerals because they will remain long after I have vanished from the earth.

Please read the attached Surface Use Agreement document. I may be willing to consider amending some small portions of this agreement but in general the provisions and terms reflect the parameters that I will require in order to waive my rights and allow the project to continue on the current schedule.

In some ways I regret that we have to be this legalistic but I have to protect my land, my children and my grandchildren.

Mark

mulybux

ENCLOSURE #4

RECEIVED

From: mulybux [mulybux@gmail.com]
Sent: Tuesday, April 10, 2012 8:48 PM
To: 'Adam Standiford'
Subject: Surface Use Agreement #2
Attachments: Copenhagen Surface Use Agreement 2.doc

APR 20 2012

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

Adam, here is the second iteration of our proposed surface use agreement. I've made some changes as follows:

- \$5000 for the exploration phase
- \$1500 per year for the annual rental payment (Weil #1) (I'm going to have to reduce my leased acres to Craig so I need to make up that income to some degree)
- \$ 250 per year for the existing wells
- Took out the specific \$ reference for pipeline, road and electric until we can find what the industry is paying and I'm sure we can agree on that pretty easy with some reference materials to look at.
- Put in a paragraph on the processing plant. Essentially a right of first opportunity for me to host the plant if you decide to build a permanent plant. If you decide to build it anywhere but on my property then the Weil #1 well annual rental payment goes up to \$5000. Essentially I'm trying to be a good neighbor and a good partner and in some ways an investor in your venture but at the same time protect my long term interests.

I think these are pretty reasonable figures, following our discussion anyway. I'm nervous as a cat crapping razor blades about this process so please understand that I am trusting you to be honest, forthright and to protect my investment. As your investors have a great deal of venture capital tied up in this, so do I as I have literally saved every dime I could over the past twenty two years of working to be able to buy my childhood dream.

If we can agree in principle to the above noted figures then I think we can probably move forward. I would however ask that you not pay me directly at this point in time as I intend to have Patrick Construction do some work for me later in the year, hopefully at the time they rehabilitate the initial drill pad to bring in a water line under the road. While we are on that issue could I trouble you to obtain a point of contact for me with Patrick Construction that might be familiar with the process of boring or shoving apppoint under the road?? Sorry I just don't know anyone who works there and it sounds like you probably do.

Please let me know your thoughts.

mulybux

ENCLOSURE #5

RECEIVED

From: Adam Standiford [astandiford@gmail.com]
Sent: Wednesday, April 11, 2012 2:51 PM
To: mulybux
Subject: Weil #1 Surface and Damage

APR 20 2012

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

Mark,

After consulting my partners as well as counsel at Lee Law Office, I am again offering you \$2,500 for the four acre Weil #1 well site located 34N 9E section 28 south 1/2 . I was advised that it is the established going-rate for this area.

We will have to wait and see how this procedure effects the ingress/egress roads into the drill site and also what kind of footprint we will require to produce the resource (i.e. wellhead or processing plant) before we assess payment commitments.

Any pipeline or electrical line burial, and new roads constructed or improved (raised, graveled, widened, lengthened) will be payed out per existing area precedence.

Existing wells and roads have already been paid out to Widdis' and do not transfer through. You will receive all surface damages and surface use payments henceforth, again, at the established, going-rate for this area.

There is no need to sign a new Surface Lease Agreement right now because we currently have producing wells on the acreage. You and I can work up some language later, if you like.

I invite you to come check out the drilling procedure (I'll need a little heads-up...it will be crazy busy and I'll need to be with you for insurance and confidentiality purposes).

I foresee us spudding the well next week and starting dirt work on Monday, which is 23 days after you and I met in Helena to present to you a detailed explanation and scope of the drilling procedure.

Dad and I are keenly aware of your concerns on having a number of Oil and Gas related infrastructure on your land. We will work with you on maintaining the value of your farm ground. I think if you check with your neighbors, you will find that we are pretty easy to work with. This area is our home -- we care about the people who live and work here with us.

If you agree to this payment, we can get a check to you (or your entity) as soon as possible.

Thank you and I look forward to working with you.

Adam Standiford
Brainstorm Energy, Inc.
G/S Producing, Inc.
206-940-2326

mulybux

ENCLOSURE #6

RECEIVED

From: mulybux [mulybux@gmail.com]
Sent: Wednesday, April 11, 2012 8:35 PM
To: 'Adam Standiford'
Subject: FW: Weil #1 Surface and Damage

APR 20 2012

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

Adam, your position is very disappointing to me as you might guess. To remind you, I had essentially agreed to the \$5000 payment initial disruption payment you and your Dad offered last night during our conversation based upon the strongest of suggestions from both you and your Dad that you would locate the future production facility on my land using approximately 4 acres and generating approximately \$4000 per year in additional lease payments to help compensate me for the lost value of my land which you personally readily recognized. The only counteroffer I made was to increase the yearly lease payment for the Weil #1 well from \$1200 to \$1500.

I have contacted the Montana Board of Oil and Gas Conservation regarding this dispute and to seek clarification of any State directed notification requirements. Apparently in turn the Board of Oil and Gas plans to contact you directly regarding these notice requirements. I have also inquired with the Board of Oil and Gas about any "prevailing rate standard" and they have reported to me that no such legally defined standard exists. During my conversation with the staffer at the Board of Oil and Gas they were nice enough to direct me to the actual Montana State Statutes regarding Surface Owner Damage and Disruption Compensation.

I've taken a few minutes to read those statutes and based on that reading I have a few comments regarding your e-mail noted below, specifically;

- You wrote, "I foresee us spudding the well next week and starting dirt work on Monday, which is 23 days after you and I met in Helena to present to you a detailed explanation and scope of the drilling procedure." However the statute (MCA 82-10-503) provides, "**Notice of drilling operations. (1) In addition to the requirements for geophysical exploration activities governed by Title 82, chapter 1, part 1, the oil and gas developer or operator shall give the surface owner and any purchaser under contract for deed written notice of the drilling operations that the oil and gas developer or operator plans to undertake. The notice must be given to the record surface owner and any purchaser under contract for deed at their addresses as shown by the records of the county clerk and recorder at the time the notice is given. The notice must include a copy of this part and, if available, a current publication produced by the environmental quality council entitled "A Guide to Split Estates in Oil and Gas Development". The notice must sufficiently disclose the plan of work and operations to enable the surface owner to evaluate the effect of drilling operations on the surface owner's use of the property. The notice must be given no more than 180 days and no fewer than 20 days before any activity that disturbs the land surface. The surface owner may waive the notice requirement.**" I would note that the Legislature chose to use compulsory language versus permissive language in crafting the statute. With that governing and legally binding statute ruling in this instant case you, your company, nor any agent hired by your company may NOT undertake any activity at the well site until a minimum of 20 days has passed from the date you actually provide me the above noted written documentation. At this point I have NO intention of waiving the notice requirement however were we able to reach a more amicable and equitable agreement as I thought we verbally agreed upon last night I would consider potentially waiving the above noted notice requirement.
- Again you wrote, "I foresee us spudding the well next week and starting dirt work on Monday, which is 23 days after you and I met in Helena to present to you a detailed explanation and scope of the drilling procedure." While I acknowledge the fact that we met in person at the Hub Coffee Shop here in Helena on Saturday March 24th at about 145pm you did not provide me with a written detailed explanation and scope of the drilling procedure as required by the above noted statute. Rather you provided me with six pieces of paper. Three of those sheets were maps from Cicon and Associates for a survey that was apparently completed without my knowledge or permission, the forth was a mock up

layout of the proposed exploratory drilling site, and the final two sheets consisted of a diagram of the blowout preventer and choke manifold equipment. I would also note that at that personal meeting and again last night I told you that I have experienced a traumatic brain injury within the past two years and as a consequence I need detailed written information regarding all aspects of this proposed well site in order to assimilate the information and retain that information. I don't like this relatively new reality for me, but in fact it is a mental challenge that I advised you of and asked that you respect and understand.

- You wrote, "There is no need to sign a new Surface Lease Agreement right now because we currently have producing wells on the acreage. You and I can work up some language later, if you like." In reviewing the statutes I can find no reference to any language that might suggest that since you have producing wells in the area that a surface use agreement is not necessary on a new well. Rather the literature suggests that an affected landowner may request a written surface use agreement. Regarding your newly proposed Well #1 well I am hereby formally requesting a written surface use agreement prior to any on site activity begins.

As I suggested last night it is pretty clear to me that if this were a couple of locals we could have worked through this transaction pretty easily, in fact we had an agreement in principle in place on the phone. As I noted last night I was trying to be a good neighbor and be understanding of your need to develop the resource and simply asked that you and your partners/investors, recognize and value the investment I made in my land. I am simply asking to be justly compensated for the use of my property and the interference with the use and enjoyment of my property due to your proposed development of minerals. I would really like to avoid this becoming a situation where we both end up paying thousands of dollars in attorneys fees and I would again state my position that I would like to come to an amicable neighborly agreement so you can proceed with your project on the timeline you had suggested below.

If in fact you have a signed Surface Use Agreement regarding the two wells currently existing on my noted lands then I formally request a copy of that document to review and insure its legality and assignability and binding effect on successors. If such a document does not exist then I will require an agreed upon and signed Surface Use Agreement for the two existing wells and their service roads in addition to new Surface Use Agreement on your proposed Well #1 well. Additionally I am formally requesting documentation including maps drawn at the time of exploration and construction detailing precisely what roads your company or its predecessor paid to Mark Widdis.

As you know I purchased the Widdis farm in December 2010. State statutes seem to provide that I can claim compensation under the Surface Owners Damage and Disruption Act for a period dating back two years and I am hereby exercising that right. I am submitting a current claim of \$500 annual recurring payment per well site per year effective December 2010 for wells existing on my property as of today's date 04-11-12. I note that you have previously reported to me in writing that an annual compensation was being paid to my Father to compensate him for surface disruption beginning in 2000 at a rate of \$250 per year. I would note that in the year 2000 the average price of gasoline was \$1.51 per gallon, tonight in Helena that same gallon of gas costs \$3.75, and increase of 248%. We can certainly refer to the Consumer Price Index in determining this increased payment if you would prefer, but I think we will find similar results. I would also note that in the absence of any proof of an assignable and successor binding surface use agreement on the existing wells predating my purchase of the land in December 2010 I am claiming additional compensation of \$10 per rod (16 feet 8 inches) of road used by your company or its agents in accessing the wells.

Again I would like to reaffirm my preference that we come to an amicable and equitable neighborly settlement for, at a minimum, the initial exploratory compensation so your project can proceed consistent with your preferred schedule.

Mark Copenhaver

mulybux

ENCLOSURE #7

From: Brian D. Lee [brian.leelaw@gmail.com]
Sent: Thursday, April 12, 2012 10:33 AM
To: mulybux@gmail.com
Cc: Adam Standiford
Subject: Supreme Court Case Dealing with 20 Day Notice Statute
Attachments: SKMBT_C55012041209210.pdf

RECEIVED

APR 20 2012

**MONTANA BOARD OF OIL
& GAS CONS. BILLINGS**

Mark;

It was nice to speak with you. As I indicated to you my primary goal is to work towards reaching an agreement that is acceptable to both you and my clients. I remain hopeful that we can do so.

I've attached the case I mentioned to you during our call.

The most pressing issue right now is resolving the matter of the 20 day notice. I understand you would like the opportunity to speak with legal counsel before making a decision but I would appreciate very much if we could obtain you waiver to the 20 day notice requirement so that my client may proceed with its development activities. If there is additional information you need to make an informed decision please let me know what it is and I will do my best to obtain it and provide it to you.

Thanks Mark for your time and I look forward to working with you in getting this matter resolved quickly and amicably.

--

Brian D. Lee
Lee Law Office PC
158 Main St.
PO Box 790
Shelby, Montana 59474
(406) 434-5244

This e-mail message and any attachment thereto is intended only for the use of the individual or entity to which it is addressed and may contain information that is privileged, confidential and exempt from disclosure under applicable law. If the recipient or reader of this message is not the intended recipient, you are hereby notified that any dissemination, distribution or copying of this communication is strictly prohibited. If you have received this e-mail communication in error, please notify us immediately by sending a reply e-mail message to the sender. Thank you.

mulybux

ENCLOSURE #8
RECEIVED

From: mulybux [mulybux@gmail.com]
Sent: Thursday, April 12, 2012 4:40 PM
To: 'Adam Standiford'
Cc: 'Brian D. Lee'
Subject: Weil #1

APR 20 2012

**MONTANA BOARD OF OIL
& GAS CONS. BILLINGS**

Adam, I spoke to Brian Lee from your representational firm today and have included him in this e mail distribution. I want to again reinforce my previously stated position that I am more than willing to continue to work with you regarding your project. I have yet to retain counsel and would prefer not to because I believe that neighbors should be able to work things out if they just talk things through.

I'll be quite honest I was pretty upset yesterday after reading your e mail where I felt that you had essentially reneged on the verbal agreement that I thought we had come to on the phone on Tuesday evening when I spoke with you and Ray. In fact it was Ray who suggested increasing the initial damage and disruption payment to \$5000. I know that you indicated that you would have to talk to the CFO at Weil however that seemed to me to be more of a formality as you had indicated that they were pretty easy to work with and that they liked to help the little guys like you and I. As you know we live in one of the very few places where deals can still be accomplished with a smile and handshake, though we were not physically in the same room I felt like that is where we were. To have you come back to me the next day with a "take it or shove it" type e-mail was pretty disheartening and made me question the underlying honesty of the previous nights conversation.

I'm still upset and quite frankly suspicious at this point, but I've settled down a bit. I'm trying to be pragmatic about this and realize that it is in our best interests to make a deal. I understand where you may not be in a position to negotiate long term damages, production facility locations and the like and maybe now isn't the best time for that anyway. But what is of paramount importance to me is that I protect my land through a new surface use agreement regarding the Weil #1 well and that I be adequately compensated for the exploratory phase of the project. Please don't take my desire for a new surface use agreement as anything other than my need to document the activities so I can refer to something and that I can relay that information to my wife and kids. It's not at all that I don't trust you to honor my land, I simply need that mechanism so I can remember what is in place, remember the TBI issue please. I very simply struggle to assimilate new information into my brain without source documents to refer to. At this point I don't necessarily want to file any type of formal complaint with the Montana Board of Oil and Gas, though I have been advised to do so and I don't necessarily want to pursue other legal remedies after the fact. I simply want to protect the character and integrity of my land. If you want to try and talk this through again I'm willing to listen. If we can come to an equitable agreement like the one I thought we had on Tuesday night, I would certainly consider waiving the notification timeline requirements.

Mark Copenhaver

mulybux

ENCLOSURE #9

RECEIVED

From: Brian D. Lee [brian.leelaw@gmail.com]
Sent: Tuesday, April 17, 2012 1:16 PM
To: mulybux@gmail.com
Cc: Adam Standiford
Subject: Re: Supreme Court Case Dealing with 20 Day Notice Statute

APR 20 2012

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

Mark;

I have not spoken with Adam since you sent him your last email dated April 12, 2012. I assume you remain unwilling to waive the 20 day notice requirement but if you will agree to waive please let me know.

At this point, although Adam is fully informed about our discussions, both by email and orally, I would request that you communicate directly through me. Adam has asked that I handle this matter until it is resolved so your cooperation is greatly appreciated.

As I stated in a prior email to you Adam does not believe he reneged in any way in his dealings with you regarding compensation for surface damages. His offer to you was subject to the approval of his business partner who is the party that is ultimately responsible for paying for the surface damage compensation. I know this may be upsetting to you but Adam's business partner did not agree to what you and Adam had discussed so we are back at the bargaining table again.

What I intend to do is speak with Adam about what his business partner is willing to offer you for surface damage compensation. Once I have confirmed the offer I will prepare a written letter to outlining the offer as required by Montana law. If the offer is acceptable to you I will then prepare an appropriate agreement which relates to surface use on your lands for your review and input.

I was also somewhat dismayed to learn that you had elected not to retain legal counsel as I believe it would be of great benefit to you. I find that matters of these nature are generally quickly resolved once both parties are represented by competent legal counsel. Regardless, I will continue to work with you in the hopes that all matters relating to the activities of my client and his business partner on your lands are ultimately resolved.

I hope you had a nice weekend and please let me know if you have any questions.

Brian

On Tue, Apr 17, 2012 at 11:27 AM, mulybux@gmail.com <mulybux@gmail.com> wrote:
Brian, have you heard any more from Adam? Again, I'm willing to be reasonable if approached.

Sent from my Verizon Wireless Phone

----- Reply message -----

From: "Brian D. Lee" <brian.leelaw@gmail.com>
To: "mulybux@gmail.com" <mulybux@gmail.com>
Subject: Supreme Court Case Dealing with 20 Day Notice Statute
Date: Thu, Apr 12, 2012 1:15 pm

**G/S PRODUCING INC. - WEIL #1,
NW SE SECTION 28 T34N R9E, HILL COUNTY, MONTANA
API 25-041-23548**

Surface owner: Mr. Mark Copenhaver
 1617 Illinois Ave.
 Helena, Montana 59601

Failure of the operator to give the surface owner proper notice under MCA 82-10-503.

1. Failure to give 20 days written notice prior to activity.
2. Failure to give written notice.
3. Failure to include "Guide to Split Estates in Oil and Gas Development".
4. Failure to provide cop of MCA 82-10-503 with notice.

Montana Code Annotated 2011

[Previous Section](#) [MCA Contents](#) [Part Contents](#) [Search](#) [Help](#) [Next Section](#)

82-10-503. Notice of drilling operations. (1) In addition to the requirements for geophysical exploration activities governed by Title 82, chapter 1, part 1, the oil and gas developer or operator shall give the surface owner and any purchaser under contract for deed written notice of the drilling operations that the oil and gas developer or operator plans to undertake. The notice must be given to the record surface owner and any purchaser under contract for deed at their addresses as shown by the records of the county clerk and recorder at the time the notice is given. The notice must include a copy of this part and, if available, a current publication produced by the environmental quality council entitled "A Guide to Split Estates in Oil and Gas Development". The notice must sufficiently disclose the plan of work and operations to enable the surface owner to evaluate the effect of drilling operations on the surface owner's use of the property. The notice must be given no more than 180 days and no fewer than 20 days before any activity that disturbs the land surface. The surface owner may waive the notice requirement.

(2) The surface owner is responsible for providing the name and address of the oil and gas developer or operator to any lessees, tenants, or other parties responsible for surface operations on the property.

(3) Prior to the oil and gas developer or operator providing the notice required in subsection (1), a person qualified under 70-16-111 may enter the land to investigate and use boundary evidence and perform boundary, well site location, and access road surveys if the notice requirements of 70-16-111 are met. However, the oil and gas developer or operator shall provide the notice required pursuant to subsection (1) prior to any activity that disturbs the land surface.

History: En. Sec. 3, Ch. 199, L. 1981; amd. Sec. 27, Ch. 526, L. 1983; amd. Sec. 1, Ch. 497, L. 1985; amd. Sec. 2, Ch. 57, L. 2007.

Property Record Card

Summary

Primary Information

Property Category: RP **Subcategory:** Real Property
Geocode: 12-4649-28-4-04-01-0000 **Assessment Code:** 0000003955
Primary Owner: **Property Address:**

COPENHAVER MARK R
1617 ILLINOIS AVE
HELENA, MT 59601-5416

COS Parcel:

NOTE: See the Owner tab for all owner information

Certificate of Survey:

Subdivision:

Legal Description:

S28, T34 N, R09 E, S/2

Last Modified: 4/14/2012 9:17:30 PM

General Property Information

Neighborhood: 001 **Property Type:** FR - Farmstead Rural
Living Units: 1 **Levy District:** 12-3233-M99E
Zoning: 8 **Ownership %:** 100

Linked Property:

Linked Property	Link Type	
12-0000003955-001	Real Property/Personal Property Link	View

Exemptions:

No exemptions exist for this property

Condo Ownership:

General: 0 **Limited:** 0

Property Factors

Topography: 8 **Fronting:** 0 - None
Utilities: 7, 8 **Parking Type:**
Access: 2 **Parking Quantity:**
Location: 0 - Rural Land **Parking Proximity:**

Land Summary

Land Type	Acres	Value
Grazing	50.662	00.00
Fallow	268.338	00.00
Irrigated	0.000	00.00
Continuous Crop	0.000	00.00
Wild Hay	0.000	00.00

MONTANA BOARD OF OIL AND GAS CONSERVATION
2535 ST. JOHNS AVENUE, BILLINGS, MONTANA 59102

Lease Name:

Weil

RECEIVEDLease Type (Private/State/Federal) **MAR 30 2012**

Private

MONTANA BOARD OF OIL & GAS CONSERVATION, BILLINGS

Well Number:

#1

Drill ☒Deepen ☐Re-enter ☐Oil ☐Gas ☒Other ☐

Operator: G/S Producing Inc

Address: PO Box 358

City: Chester

State: MT

Zip: 59522

Telephone Number:

206-940-2326

Field Name or Wildcat:

(Rudyard Area) Wildcat

Unit Name (if applicable):

N/A

Surface Location of Well (quarter-quarter and footage measurements):

NW 1/4 SE 1/4 2053' FSL X 1954' FEL

Objective Formation(s):

Red River, Souris River

Township, Range, and Section:

34N 9E Section 28

County:

Hill

Elevation (indicate GL or KB):

3054' GL

Size and description of drilling/spacing unit and applicable order, if any:

Statewide gas spacing 1 well/640 acres, 990' setback from sec. line

Formation at total depth:

Red River

Anticipated Spud Date:

4/15/2012

Hole Size	Casing Size	Weight / Foot	Grade (API)	Depth	Sacks of Cement	Type of Cement
12 1/4"	8 5/8"	24#	J55	300' +/-	140	Type III
7 7/8"	5.5	17#	J55	5400' +/-	895	Type G

Describe Proposed Operations:

Describe or attach labeled diagram of blowout preventer equipment. Indicate if air drilled or describe mud program.

G/S Producing proposes drilling a well to 5400' to test the Devonian Souris River and Ordovician Red River formations for gas potential. We will drill the well with a Mi Swaco mud program utilizing fresh water, run surface casing to ~300', and cement to surface. Once we reach a TD of ~5400', we will run Schlumberger logs and if the logs reveal producible quantities of gas, we will run casing and cement to surface. We request permission to only collect samples from 3300' to TD. We are aware of the current spacing governing the Eagle and Sawtooth formations in the Rudyard Field, and do not plan to complete the well to those formations. Once the well is completed, the cuttings and content of the reserve pit will be hauled away and disposed on a local farmer's deeded land.

BOARD USE ONLYApproved (date) **APR 03 2012**Permit Fee **\$7500**By *Steven P. Savelle*Check Number **5329 (Brainstorm Energy)**Permit Expires **OCT - 3 2012**Title **CHIEF FIELD INSPECTOR**Permit Number **24175**

The undersigned hereby certifies that the information contained on this application is true and correct:

Signed (Agent) *Adam*Title **Secretary**

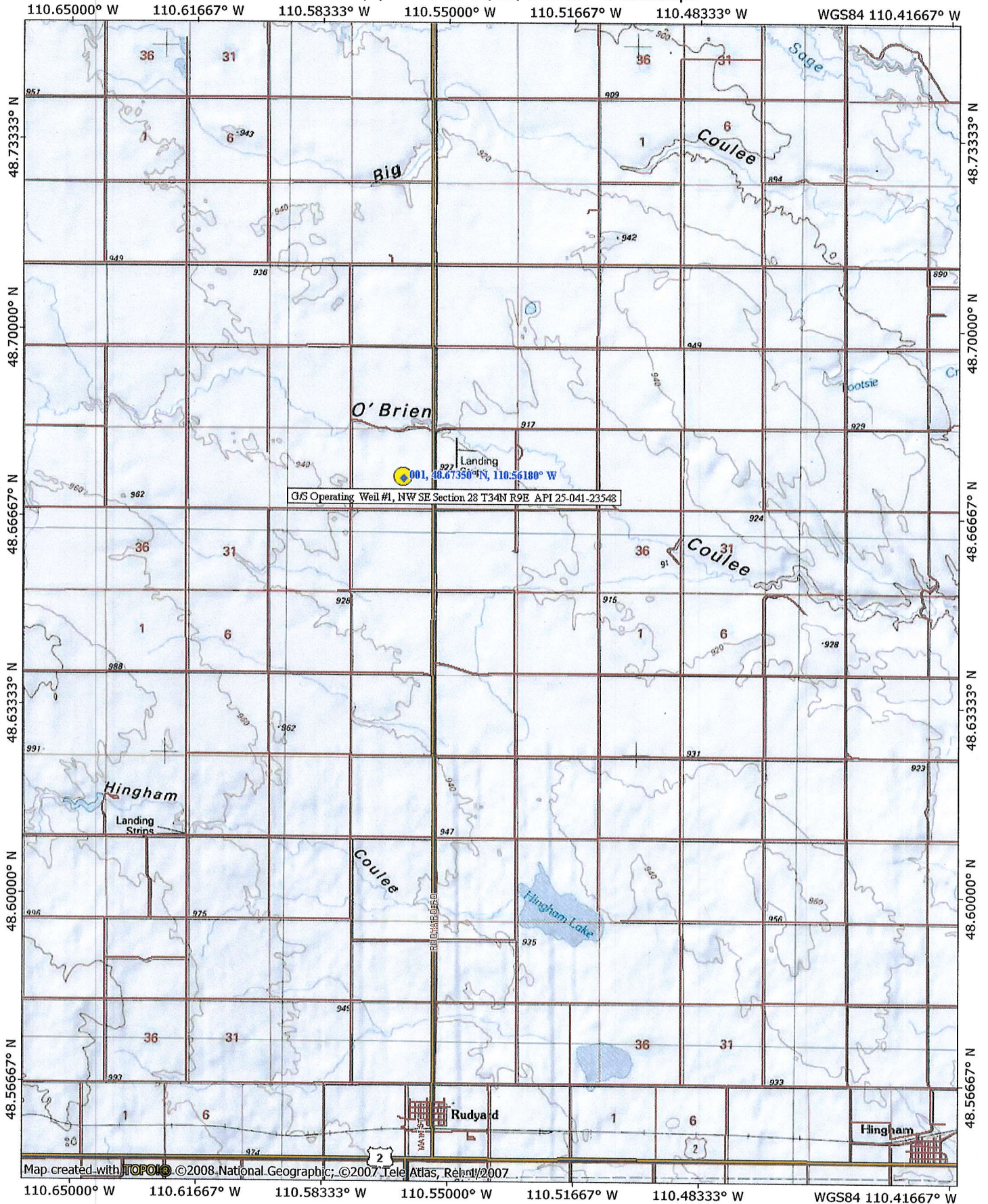
THIS PERMIT IS SUBJECT TO THE CONDITIONS OF APPROVAL STATED ON THE BACK

API Number: 25 - **041 - 23548**Date **3-29-2012**Telephone Number **406-759-5160**Samples Required: NONE ☒ ALL ☐ FROM ☐ feet to ☐ feet

Core chips to address below, full cores to USGS, Core Laboratory, Arvada, CO. Required samples must be washed, dried and delivered prepaid to:

Montana Board of Oil and Gas Conservation
2535 St. Johns Avenue
Billings, MT 59102

TOPO! map printed on 04/23/12 from "Untitled.tpo"



0.0 0.5 1.0 1.5 2.0 2.5 3.0 miles
0 1 2 3 4 5 km

TN* MN
12½°
04/23/12

Page 1 of 3

Page 1 of 3

Plugging and Reclamation Bonds With Well List

G/S PRODUCING, INC.												
Certificate of Deposit		Active	2782		Bond:	MI	\$50,000.00	Multiple Well Bond	Active	Wells:	38	Allowed:
Letter of Credit		Released	HERITAGE BANK - CHESTER				\$25,000.00			Approved		11/1/1996
Letter of Credit		Released	HERITAGE BANK - CHESTER				\$25,000.00			Rider Approved		8/15/2007
Letter of Credit		Active	U.S. Bank National Association				\$25,000.00					
Letter of Credit			First Security Bank Fort Benton				\$25,000.00					
API #	Operator	Well	Location		Field	TD	PBTD	Status				
041-22497	G/S Producing, Inc.	DeMartin 2	33 N	9 E 3	NW 1173N 1317W	Rudyard	801	PR GAS				
041-21971	G/S Producing, Inc.	H. Demartin 1	33 N	9 E 3	C NW 1320N 1320W	Rudyard	3500	SI GAS				
041-23402	G/S Producing, Inc.	Adam 1	33 N	9 E 3	SW SW 1240S 1240W	Rudyard	898	PR GAS				
041-23401	G/S Producing, Inc.	Berge 1-10	33 N	9 E 10	S2 SE 990S 1320E	Rudyard	3528	PR GAS				
041-22507	G/S Producing, Inc.	Bradbury 14-10	33 N	9 E 10	SW NE NE 1100N 990E	Rudyard	790	SI GAS				
041-05060	G/S Producing, Inc.	Bradbury 1	33 N	9 E 10	C NE NE 660N 660E	Rudyard	3585	SI GAS				
041-22508	G/S Producing, Inc.	Jackson-Berge 11-11	33 N	9 E 11	NW 1320N 990W	Rudyard	850	PR GAS				
041-22166	G/S Producing, Inc.	J.A. Pester 1	33 N	9 E 14	E2 SW NW 1980N 990W	Rudyard	3496	PR GAS				
051-21477	G/S Producing, Inc.	Mlinar 4-7X	34 N	7 E 4	SW NE 2299N 2310E	O'Briens Coulee	2236	SI GAS				
041-23289	G/S Producing, Inc.	L.A. Anderson 2-27	34 N	9 E 27	SW SW 983S 990W	Rudyard	940	SI GAS				
041-05075	G/S Producing, Inc.	L.A. Anderson 1	34 N	9 E 27	SE SW 660S 1980W	Rudyard	3435	SI GAS				
041-05079	G/S Producing, Inc.	M. Anderson 1	34 N	9 E 28	C NW 1320N 1318W	Rudyard	3584	PR GAS				
041-22546	G/S Producing, Inc.	Bair 43-28	34 N	9 E 28	NE SE 1980S 990E	Rudyard	3420	PR GAS				
041-22872	G/S Producing, Inc.	Widdis 1-28	34 N	9 E 28	NW SE 1980S 2230E	Rudyard	3454	PR GAS				
041-23548	G/S Producing, Inc.	Weil 1	34 N	9 E 28	NW SE 2053S 1954E	Wildcat Hill		PD GAS				
041-22105	G/S Producing, Inc.	McGowan 2 1	34 N	9 E 33	NE NE 1135N 1066E	Rudyard	3475	PR GAS				
041-23290	G/S Producing, Inc.	Letang 1-34	34 N	9 E 34	NW NE 534N 1937E	Rudyard	940	PR GAS				
041-21970	G/S Producing, Inc.	McGowan 1	34 N	9 E 34	C NW 1320N 1320W	Rudyard	3500	SI GAS				
051-21237	G/S Producing, Inc.	BOND 1-2	36 N	5 E 1	S2 NW NE 990N 1980E	Black Jack	3103	DW GAS				
051-21464	G/S Producing, Inc.	Keith 1	36 N	6 E 17	SW SW NW 2310N 330W	Bear's Den	2619	PR OIL				
051-21442	G/S Producing, Inc.	McDowell RN 1	36 N	6 E 18	NE NE SE 2310S 413E	Bear's Den	2582	PR OIL				
051-21526	G/S Producing, Inc.	Bingham 9-12	37 N	4 E 12	SW NE SE 1650S 915E	Whitlash	3276	PR OIL				
051-21577	G/S Producing, Inc.	Bingham 9B-12	37 N	4 E 12	SE NE SE 1725S 330E	Whitlash	3198	PR OIL				
051-21657	G/S Producing, Inc.	Bingham 9-13	37 N	4 E 13	NE NE SE 2250S 374E	Whitlash	2830	SI GAS				
051-05242	G/S Producing, Inc.	Schafer 7-13	37 N	4 E 13	SW NE 1980N 1980E	Whitlash	2820	SI GAS				
051-05253	G/S Producing, Inc.	Bingham 1-13	37 N	4 E 13	NE NE 712N 712E	Whitlash	3259	PR OIL				
051-05211	G/S Producing, Inc.	Dull 1	37 N	4 E 24	C NE NW 660N 1980W	Whitlash	2191	PR GAS				
051-05424	G/S Producing, Inc.	Bingham 15-7	37 N	5 E 7	SW SE 731S 1909E	Flat Coulee	2861	PR GAS				
051-21017	G/S Producing, Inc.	Bingham 13-7	37 N	5 E 7	SW SW 510S 660W	Flat Coulee	3055	PR OIL				
051-05260	G/S Producing, Inc.	Millen 2	37 N	5 E 15	NW NE NW 330N 1740W	Flat Coulee	1788	SI GAS				
051-21075	G/S Producing, Inc.	Inexco 1	37 N	5 E 15	SE NE 1980N 585E	Flat Coulee	3040	PR GAS				
051-21056	G/S Producing, Inc.	Bingham 13-18	37 N	5 E 18	N2 SW SW 785S 685W	Flat Coulee	2765	SI GAS				
051-05452	G/S Producing, Inc.	Bingham 3-18	37 N	5 E 18	NE NW 660N 1830W	Flat Coulee	2970	PR GAS				
051-05461	G/S Producing, Inc.	Bingham 12-18	37 N	5 E 18	NW SW 2078S 675W	Flat Coulee	2979	PR OIL				
051-05254	G/S Producing, Inc.	Bingham 4-18	37 N	5 E 18	C NW NW 710N 560W	Flat Coulee	3075	PR OIL				

Plugging and Reclamation Bonds With Well List

051-21028	G/S Producing, Inc.	Laird Creek 13-26	37 N	5 E	26	SE NW SW	1920S	990W	Laird Creek	635	539	C	WS
051-21270	G/S Producing, Inc.	Tollefson 1	37 N	6 E	29	NE SE SW	1225S	2190W	Keith Area	3415		PR	GAS
051-21251	G/S Producing, Inc.	Hovee 33-6A	37 N	6 E	33	SE SE NW	2000N	2000W	Keith Area	3274		PR	GAS

Comment: 12/07/2000 - Bond increased to \$50,000 by adding \$25,000 LOC #34. LOC #34 changed to SLCSSSEA02912 effective 7/26/2007 and name changed from Heritage Bank to U.S. Bank National Association. LOC SLCSSSEA02912 is being replaced by First Security Bank-Fort Benton in the amount of \$25,000 effective 1-17-2008

G/S PRODUCING, INC.		2782	Bond:	U1	\$5,000.00	UIC Limited Bond	Released	Wells:	0	Allowed:	1
Letter of Credit	Released	HERITAGE BANK - CHESTER			\$10,000.00			Approved		12/7/2000	
Letter of Credit	Released	U.S. Bank National Association			\$5,000.00			Rider Approved		7/26/2007	
Letter of Credit	Released	First Security Bank Fort Benton			\$5,000.00			Released		8/15/2011	

Comment: Letter of Credit Number changed to SLCSSSEA02913 due to acquisition of Heritage Bank by U.S. Bank National Association. LOC reduced to \$5,000 to cover one well.

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

BRIAN SCHWEITZER, GOVERNOR

OIL AND GAS CONSERVATION DIVISION



STATE OF MONTANA

REQUEST #1: December 30, 2011
REQUEST #2: February 1, 2012
REQUEST #3: March 2, 2012
FINAL DEADLINE: April 25, 2012
(Board Business Meeting-Butte MT)

CERTIFIED MAIL 7008 1830 0001 9481 0455
RETURN RECEIPT REQUESTED

Cabot Oil & Gas Corporation
Five Penn Center West, Fourth Floor
Pittsburgh, PA 15276

Re: Garnet 1-27H
12N, 31E, Sec. 27: SWSE
API #087-21719

The Garnet 1-27H well was spud over one year ago (November 8, 2010).

Board Rule 36.22.703(5) requires directional survey reports (2 copies) be filed within 30 days of well completion. The directional survey reports are now delinquent and due immediately.

I am also requesting the following completion data be filed with our office:

1. Completion Report (Form 4), original plus two copies
2. Logs, two copies
3. DST Charts (if tested), two copies
4. Geological Report (if prepared), two copies
5. Mud Log (if run), two copies
6. Drill cutting samples (see permit approval), one set
7. Core Chips (if cored), one set
8. Core Analysis Report (if well was cored), two copies.

If the well has been plugged, a Subsequent Report of Abandonment (Form 2) also needs to be filed.

If the well has not been plugged, production reports (Form 6) must be filed.

DIVISION OFFICE
1625 ELEVENTH AVENUE
PO BOX 201601
HELENA, MONTANA 59620-1601
(406) 444-6675

TECHNICAL AND
SOUTHERN FIELD OFFICE
2535 ST. JOHNS AVENUE
BILLINGS, MONTANA 59102-4693
(406) 656-0040


NORTHERN FIELD OFFICE
201 MAIN STREET
PO BOX 690
SHELBY, MONTANA 59474-0690
(406) 434-2422

Cabot Oil & Gas Corporation
December 30, 2011
Second Request: February 1, 2012
THIRD/FINAL Request: March 2, 2012
Page 2

Visit our website (<http://www.bogc.dnrc.mt.gov>) for current forms for your immediate use.

Your attention to this matter is appreciated so future requests are not necessary.

Sincerely,


Karen Maddaus
Billings Office

km

(SUBMIT IN TRIPLICATE)

APR 17 2012

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

ARM 36.22.302
ARM 36.22.307
ARM 36.22.1011
ARM 36.22.1013
ARM 36.22.1414

TO
MONTANA BOARD OF OIL AND GAS CONSERVATION
2535 ST. JOHNS AVENUE
BILLINGS, MONTANA 59102

COMPLETION REPORT

Company Cabot Oil and Gas Corporation API # 25 - 087 - 21719
Address Five Penn Center West, Suite 410 Lease Garnet Well No. 1-27H
Pittsburgh, PA 15276-0130 Field or Area Wildcat
Surface Location: 330 ft. from S Line, 2310 ft. from E Line, Sec. 27 T 12N R 31E
(N/S) (E/W)
County Rosebud
Date Spud 11/8/2010 Date Completed 5/12/2011 Elevation 2843
(Surface) (KB)
Completed as dry hole
(Oil, gas, cbm, injection, dry hole, etc.)

The information given herewith is a complete and correct record of the well as of the date of completion.

The information given herewith is a complete and correct record of the well as of the date of preparation..

Signed Nancy Slater

Title SR Reg Analyst Date 4/16/17

Telephone (412) 249-3927 Date 4/

For Vertical Well: Total depth 5680 ft. Plugged back to 4054 & go horiz. ft.

For Horizontal or Directionally Drilled Well: Enter well bore and bottom hole location data on page 2 of this form.

For coal bed natural gas well: Static water level NA ft. below reference elevation of NA ft.

Casing and Tubing Record

[illegible][illegible]

Well Bore	Open Hole/Perf'd Zone		Holes per foot	Perforated or Open-hole Intervals	
	Top	Bottom		Size and Type	Open or Isolated (method of isolation)
Production	7550	7702	6	3-3/8" TAG guns (0.40" dia, 38.3" per	Plug and perf
Production	7300	7452	6	3-3/8" TAG guns (0.40" dia, 38.3" per	Plug and perf
Production	7052	7202	6	3-3/8" TAG guns (0.40" dia, 38.3" per	Plug and perf
Production	6800	6952	6	3-3/8" TAG guns (0.40" dia, 38.3" per	Plug and perf
Production	6550	6702	6	3-3/8" TAG guns (0.40" dia, 38.3" per	Plug and perf
Production	6300	6452	6	3-3/8" TAG guns (0.40" dia, 38.3" per	Plug and perf
Production	6050	6202	6	3-3/8" TAG guns (0.40" dia, 38.3" per	Plug and perf
Production	5800	5952	6	3-3/8" TAG guns (0.40" dia, 38.3" per	Plug and perf

Condition	Material	Size	Quantity	Notes
Acidized, Shot, Fraced, Squeezed, or Cemented				

Well Bore	Interval		Treatment Type	Amount and Type of Material	Max. Rate (BBLS/Min)	Max. Pressure (PSI)
	Top	Bottom				
Production	7550	7702	x-link/slickwater hybrid	4870 bbls water, 175000 lbs san	77.9	
Production	7300	7452	x-link/slickwater hybrid	5871 bbls water, 173506 lbs san	75.2	6540
Production	7052	7202	x-link/slickwater hybrid	4307 bbls water, 98727 lbs sand	74.6	9518
Production	6800	6952	x-link/slickwater hybrid	2855 bbls water, 175107 lbs san	75.5	8894
Production	6550	6702	x-link/slickwater hybrid	3914 bbls water, 185896 lbs san	74.2	7210
Production	6300	6452	x-link/slickwater hybrid	2313 bbls water, 146850 lbs san	74.2	8512
Production	6050	6202	x-link/slickwater hybrid	2028 bbls water, 86523 lbs sand	72.7	5053
Production	5800	5952	x-link/slickwater hybrid	2468 bbls water, 120000 lbs san	72	10517
It is producing from						8566

I is producing from

Heath

-formation(s) or pool(s).

0 barrels of oil, 0 MCF of gas, and 9 barrels of water per 24 hours.

[illegible][illegible][illegible]

Log Type	Interval	
	From	To
Weatherford CNL_CD_L_PE_GR CALI	562	5663
WFT Induction	562	5663
WFT Spectral GR	surf	5680
Mudlog	562	5663
WFT CMI & CXD		
LWD GR in lateral KOP to TD		

Geological Markers			Top	
Formation	Top		MD	TVD
	MD	TVD		
	940		4,761	
Judith River	1,541		4,840	
Eagle Sandstone	1,935		5,050	
Niobrara Shale	2,272		5,104	
Carlisle Shale	2,570		5,260	
Greenhorn Formation	2,680		5,300	
Belle Fourche Shale	3,675			
First Cat Creek Sand	3,893			
2nd Cat Creek Sand	4,000			
3rd Cat Creek Sand	4,313			
Swift	4,475			
Reiriden	4,716			
Piper Lime				

RECEIVED

APR 17 2012

MONTANA BOARD OF OIL
& GAS CONS. BILLINGS

697-21719

RECEIVED

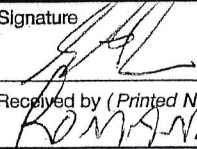
~~APR 17 2012~~

MONTANA BOARD OF OIL
& GAS COM. BILLINGS

087-21719

7008 1830 0001 9481 0455

CERTIFIED MAIL RECEIPT <small>(Domestic Mail Only; No Insurance Coverage Provided)</small> <small>For delivery information visit our website at www.usps.com</small>	
OFFICIAL USE	
Postage \$	Postmark Here 3-2-12
Certified Fee	
Return Receipt Fee (Endorsement Required)	
Restricted Delivery Fee (Endorsement Required)	
Total Postage & Fees \$	
Sent To Cabot Oil & Gas Corporation Street, Apt. No., or PO Box No. Five Penn Center West 4th FL City, State, ZIP+4 Pittsburgh PA 15276	
<small>PS Form 3800, August 2006</small>	

SENDER: COMPLETE THIS SECTION	COMPLETE THIS SECTION ON DELIVERY
<ul style="list-style-type: none"> Complete items 1, 2, and 3. Also complete item 4 if Restricted Delivery is desired. Print your name and address on the reverse so that we can return the card to you. Attach this card to the back of the mailpiece, or on the front if space permits. 	A. Signature  <input type="checkbox"/> Agent <input checked="" type="checkbox"/> Address
1. Article Addressed to: CABOT OIL & GAS CORPORATION FIVE PENN CENTER WEST, 4th FL PITTSBURGH PA 15276	B. Received by (Printed Name) ROMANOS C. Date of Delivery 3/2/12
2. Article (Title)	D. Is delivery address different from item 1? <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No If YES, enter delivery address below:
3. Service Type <input checked="" type="checkbox"/> Certified Mail <input type="checkbox"/> Express Mail <input type="checkbox"/> Registered <input type="checkbox"/> Return Receipt for Merchandise <input type="checkbox"/> Insured Mail <input type="checkbox"/> C.O.D.	4. Restricted Delivery? (Extra Fee) <input type="checkbox"/> Yes
PS Form 3800, February 2004	Domestic Return Receipt 102595-02-M-15

DEPARTMENT OF NATURAL RESOURCES
AND CONSERVATION
BOARD OF OIL AND GAS CONSERVATION

EXHIBIT 12



BRIAN SCHWEITZER, GOVERNOR

OIL AND GAS CONSERVATION DIVISION

STATE OF MONTANA

REQUEST #1: December 27, 2011
REQUEST #2: February 2, 2012
REQUEST #3: March 2, 2012
FINAL DEADLINE: April 25, 2012
(Board Business Meeting-Butte MT)

CERTIFIED MAIL 7008 1830 0001 9481 0432
RETURN RECEIPT REQUESTED

Glen Landry
Longshot Oil LLC
1011 S. Jefferson Street
Spokane WA 99204

Re: Paugh 2-25; 4S-24E-25: NWNE; API #009-21293; Spud 10-12-10
~~Bauwen 15-13; 5S-24E-13: SWSE; API #009-21291; Spud 9-21-10~~
(Bauwen - Sundry to perforate/complete approved 3-5-12)

Dear Glen:

The above referenced wells were spud over one year ago.

I am now requesting the following completion data be filed:

- ~~1. Completion Report (Form 4), original plus two copies~~
- ~~2. Logs, two copies~~
- ~~3. DST Charts (if tested), two copies~~
- ~~4. Mud Log (if prepared), two copies In Geological Report~~
- 5. Core Chips, one set (analysis reports received 10-25-11)**
- ~~6. Subsequent report of abandonment and plugging ticket (if plugged)~~
- ~~7. If not plugged, monthly production reports.~~

Visit our website (<http://www.bogc.dnrc.mt.gov>) for current forms for your immediate use.

Your attention to this matter is appreciated so future requests

Sincerely,

Karen Maddaus
Billings Office

km

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PO BOX 690
SHELBY, MONTANA 59474-0690
(406) 434-2422

Maddaus, Karen

From: GLEN LANDRY [glenlandry888@msn.com]
Sent: Saturday, April 21, 2012 8:03 AM
To: Maddaus, Karen
Subject: FW: Core chip

Date: Fri, 20 Apr 2012 10:16:11 -0700
Subject: Core chip
From: georgeo.g@gmail.com
To: weig9715@vandals.uidaho.edu
CC: glenlandry888@msn.com

Madaline,

I will be around briefly today. I am going to AK.
A friend needs a small chip from every 2 or 3 ft from the
ends of the Tensleep cores in the boxes in that room.

Don't need much, just enough for a representative lithology for the state.
Labelled very small zip lock bags might do.

Let me know if you can handle it this week. If not, I'll do it when I get back.

George